



General Assembly

## ***Amendment***

***January Session, 2015***

**LCO No. 8165**



Offered by:

REP. ABERCROMBIE, 83<sup>rd</sup> Dist.

SEN. MOORE, 22<sup>nd</sup> Dist.

REP. WOOD, 141<sup>st</sup> Dist.

SEN. SLOSSBERG, 14<sup>th</sup> Dist.

To: Subst. House Bill No. **6550**

File No. 523

Cal. No. 329

### ***"AN ACT CONCERNING MEDICAID PROVIDER AUDITS."***

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Subsection (d) of section 17b-99 of the general statutes is  
4 repealed and the following is substituted in lieu thereof (*Effective July*  
5 *1, 2015*):

6 (d) (1) The Commissioner of Social Services, or any entity with  
7 which the commissioner contracts, for the purpose of conducting an  
8 audit of a service provider that participates as a provider of services in  
9 a program operated or administered by the department pursuant to  
10 this chapter or chapter 319t, 319v, 319y or 319ff, except a service  
11 provider for which rates are established pursuant to section 17b-340,  
12 shall conduct any such audit in accordance with the provisions of this  
13 subsection. For purposes of this subsection, (A) "audit look-back

14 period" means a period of time not to exceed thirty-six months from  
15 the date of an audit to the date of payment of a provider's claim; (B)  
16 "clerical error" means an unintentional typographical, scrivener's or  
17 computer error or an error in recordkeeping in which documentation  
18 supporting a claim exists and can be produced but was misfiled at the  
19 time of the audit; (C) "extrapolation" means the determination of an  
20 unknown value by projecting the results of the review of a sample to  
21 the universe from which the sample was drawn; (D) "ninety-five per  
22 cent confidence level" means there is a probability of at least ninety-  
23 five per cent that the result is reliable; (E) "provider" means a person,  
24 public agency, private agency or proprietary agency that is licensed,  
25 certified or otherwise approved by the commissioner to supply  
26 services authorized by the programs set forth in said chapters; (F)  
27 "sample stratification" means a method of sampling that involves the  
28 division of a population into smaller groups known as strata based on  
29 shared attributes or characteristics; (G) "statistically valid sampling  
30 and extrapolation methodology" means a methodology that is (i)  
31 validated by a statistician who has completed graduate work in  
32 statistics and has significant experience developing statistically valid  
33 samples and extrapolating the results of such samples on behalf of  
34 government entities, (ii) provides for the exclusion of highly unusual  
35 claims that are not representative of the universe of paid claims, (iii)  
36 has a ninety-five per cent confidence level or greater, and (iv) includes  
37 sample stratification when applicable; and (H) "universe" means a  
38 defined population of paid claims submitted by a provider during a  
39 specific time period.

40 [(1)] (2) Not less than thirty days prior to the commencement of any  
41 such audit, the commissioner, or any entity with which the  
42 commissioner contracts to conduct an audit of a participating provider,  
43 shall provide written notification of the audit to such provider and the  
44 statistically valid sampling and extrapolation methodology to be used  
45 in conducting such audit, unless the commissioner, or any entity with  
46 which the commissioner contracts to conduct an audit of a  
47 participating provider makes a good faith determination that (A) the

48 health or safety of a recipient of services is at risk; or (B) the provider is  
49 engaging in vendor fraud. A copy of the regulations established  
50 pursuant to subdivision (11) of this subsection shall be appended to  
51 such notification. At the commencement of the audit, the  
52 commissioner, or any entity with which the commissioner contracts to  
53 conduct an audit of a participating provider, shall disclose (i) the name  
54 and contact information of the assigned auditor or auditors, (ii) the  
55 audit location, including notice of whether such audit shall be  
56 conducted on-site or through record submission, and (iii) the manner  
57 by which information requested shall be submitted.

58 [(2)] (3) Any clerical error [, including, but not limited to,  
59 recordkeeping, typographical, scrivener's or computer error,]  
60 discovered in a record or document produced for any such audit shall  
61 not of itself constitute a wilful violation of program rules unless proof  
62 of intent to commit fraud or otherwise violate program rules is  
63 established. In determining which providers shall be subject to audits,  
64 the Commissioner of Social Services [may] shall give consideration to  
65 the history of a provider's compliance in addition to other criteria used  
66 to select a provider for an audit.

67 [(3)] (4) A finding of overpayment or underpayment to a provider in  
68 a program operated or administered by the department pursuant to  
69 this chapter or chapter 319t, 319v, 319y or 319ff, except a provider for  
70 which rates are established pursuant to section 17b-340, shall not be  
71 based on extrapolation unless [(A) there is a determination of  
72 sustained or high level of payment error involving the provider, (B)  
73 documented educational intervention has failed to correct the level of  
74 payment error, or (C) the value of the claims in aggregate exceeds two  
75 hundred thousand dollars on an annual basis.] (A) the extrapolated  
76 overpayment calculated from a statistically valid sampling and  
77 extrapolation methodology exceeds five per cent of total claims paid  
78 for the audit period; and (B) the commissioner determines the provider  
79 has a sustained or high level of payment error or documented  
80 educational intervention has failed to correct a previously determined

81 sustained or high level of payment error. Such determination may be  
82 made by means that include, but are not limited to: (i) Audit history of  
83 a provider, (ii) analysis of additional samples using a statistically valid  
84 sampling and extrapolation methodology, (iii) information from law  
85 enforcement investigations, and (iv) allegations of wrongdoing by  
86 current or former employees of a provider. The commissioner shall not  
87 extrapolate an overpayment based on a clerical error unless the  
88 provider has a history of at least one previous overpayment error  
89 identified in an audit or the clerical error exceeds ten per cent of a  
90 statistically valid sample. An overpayment assessment based on  
91 extrapolation of a clerical error shall not exceed three times the dollar  
92 amount of the clerical error unless the commissioner determines the  
93 provider has a sustained or high level of payment error or documented  
94 educational intervention has failed to correct a previously determined  
95 sustained or high level of payment error. When the commissioner  
96 determines that a sustained or high level of payment error occurred,  
97 the commissioner shall describe the basis for such finding in the  
98 preliminary written report and in the final report issued pursuant to  
99 subdivisions (6) and (8) of this subsection.

100 [(4)] (5) A provider, in complying with the requirements of any such  
101 audit, shall be allowed not less than thirty days to provide  
102 documentation in connection with any discrepancy discovered and  
103 brought to the attention of such provider in the course of any such  
104 audit. Such documentation may include evidence that errors  
105 concerning payment and billing resulted from a provider's transition  
106 to a new payment or billing service or accounting system. The  
107 commissioner may permit a provider to correct clerical errors prior to  
108 a final audit determination. The commissioner shall not calculate an  
109 overpayment based on extrapolation or attempt to recover such  
110 extrapolated overpayment when the provider presents credible  
111 evidence that an error by the commissioner, or any entity with which  
112 the commissioner contracts to conduct an audit pursuant to this  
113 subsection, caused the overpayment, provided the commissioner may  
114 recover the amount of the original overpayment.

115     [(5)] (6) The commissioner, or any entity with which the  
116 commissioner contracts, for the purpose of conducting an audit of a  
117 provider of any of the programs operated or administered by the  
118 department pursuant to this chapter or chapter 319t, 319v, 319y or  
119 319ff, except a service provider for which rates are established  
120 pursuant to section 17b-340, shall produce a preliminary written report  
121 concerning any audit conducted pursuant to this subsection, and such  
122 preliminary report shall be provided to the provider that was the  
123 subject of the audit not later than sixty days after the conclusion of  
124 such audit. If a preliminary finding of an overpayment based on  
125 extrapolation exceeds two hundred thousand dollars, the  
126 commissioner shall schedule a conference with the provider not later  
127 than thirty days after the conclusion of such audit. Not later than thirty  
128 days after such conference, a provider may conduct an independent  
129 audit at the provider's expense of (A) all of the claims included in the  
130 universe subject to findings based on extrapolation, or (B) a second  
131 sample twice the size of the original identified by the department  
132 using the same statistically valid sampling and extrapolation  
133 methodology. The commissioner may reject any audit not based on a  
134 statistically valid sampling and extrapolation methodology or not in  
135 compliance with state or federal law. The commissioner shall amend  
136 the preliminary report in accordance with any verified evidence that  
137 initial findings were incorrect.

138     [(6)] (7) The commissioner, or any entity with which the  
139 commissioner contracts, for the purpose of conducting an audit of a  
140 provider of any of the programs operated or administered by the  
141 department pursuant to this chapter or chapter 319t, 319v, 319y or  
142 319ff, except a service provider for which rates are established  
143 pursuant to section 17b-340, shall, following the issuance of the  
144 preliminary report pursuant to subdivision [(5)] (6) of this subsection,  
145 hold an exit conference with any provider that was the subject of any  
146 audit pursuant to this subsection for the purpose of discussing the  
147 preliminary report. Such provider may present evidence at such exit  
148 conference refuting findings in the preliminary report if such provider

149 has not already done so pursuant to subdivision (6) of this subsection.

150 [(7)] (8) The commissioner, or any entity with which the  
151 commissioner contracts, for the purpose of conducting an audit of a  
152 service provider, shall produce a final written report concerning any  
153 audit conducted pursuant to this subsection. Such final written report  
154 shall be provided to the provider that was the subject of the audit not  
155 later than sixty days after the date of the exit conference conducted  
156 pursuant to subdivision [(6)] (7) of this subsection, unless the  
157 commissioner, or any entity with which the commissioner contracts [,]  
158 for the purpose of conducting an audit of a service provider, agrees to  
159 a later date or there are other referrals or investigations pending  
160 concerning the provider.

161 [(8)] (9) Any provider aggrieved by a decision contained in a final  
162 written report issued pursuant to subdivision [(7)] (8) of this  
163 subsection may, not later than thirty days after the receipt of the final  
164 report, request, in writing, a [review on all items of aggrievement]  
165 contested case hearing in accordance with chapter 54. Such request  
166 shall contain a detailed written description of each specific item of  
167 aggrievement. The designee of the commissioner who presides over  
168 the [review] hearing shall be impartial and shall not be an employee of  
169 the Department of Social Services Office of Quality Assurance or an  
170 employee of an entity with which the commissioner contracts for the  
171 purpose of conducting an audit of a service provider. A provider shall  
172 be permitted to raise at any time during such hearing that such  
173 provider's compliance with a state or federal law or regulation  
174 explains or negates a negative finding in an audit. Following review on  
175 all items of aggrievement, the designee of the commissioner who  
176 presides over the [review] hearing shall, notwithstanding the  
177 provisions of section 4-180, issue a final decision not later than sixty  
178 days following the close of evidence or the date on which final briefs  
179 are filed, whichever occurs later. When a provider requests a hearing  
180 pursuant to this subdivision, and the provider is contesting an  
181 overpayment amount based on extrapolation, the Department of Social

182 Services shall not recoup the overpayment amount at issue until a final  
183 decision is issued after the hearing.

184 [(9) A provider may appeal a final decision issued pursuant to  
185 subdivision (8) of this subsection to the Superior Court in accordance  
186 with the provisions of chapter 54.]

187 (10) The provisions of this subsection shall not apply to any audit  
188 conducted by the Medicaid Fraud Control Unit established within the  
189 Office of the Chief State's Attorney.

190 (11) The commissioner shall adopt regulations, in accordance with  
191 the provisions of chapter 54, [to carry out the provisions of this  
192 subsection and to ensure the fairness of the audit process, including,]  
193 that include but are not limited to, (A) definitions of the sampling and  
194 extrapolation methodologies associated with the process, (B)  
195 limitations on audits to cover only paid claims and, whenever possible,  
196 the isolation of unique or rare claims from others in any sample subject  
197 to extrapolation, (C) the application of a median rather than an average  
198 in any extrapolation involving claims with multiple services, (D) an  
199 audit look-back period in accordance with this subsection, and (E)  
200 administrative appeal procedures set forth in a manner that is  
201 consistent with the provisions of chapter 54.

202 (12) The commissioner shall provide free training to providers on  
203 how to enter claims to avoid [clerical] errors and shall post information  
204 on the department's Internet web site concerning the auditing process  
205 and methods to avoid clerical errors. Not later than February 1, 2015,  
206 the commissioner shall establish and publish on the department's  
207 Internet web site audit protocols to assist the Medicaid provider  
208 community in developing programs to improve compliance with  
209 Medicaid requirements under state and federal laws and regulations,  
210 provided audit protocols may not be relied upon to create a  
211 substantive or procedural right or benefit enforceable at law or in  
212 equity by any person, including a corporation. The commissioner shall  
213 establish audit protocols for specific providers or categories of service,

214 including, but not limited to: (A) Licensed home health agencies, (B)  
215 drug and alcohol treatment centers, (C) durable medical equipment,  
216 (D) hospital outpatient services, (E) physician and nursing services, (F)  
217 dental services, (G) behavioral health services, (H) pharmaceutical  
218 services, [and] (I) emergency and nonemergency medical  
219 transportation services, and (I) not later than January 1, 2016,  
220 homemaker companion services. The commissioner shall ensure that  
221 the Department of Social Services, or any entity with which the  
222 commissioner contracts to conduct an audit pursuant to this  
223 subsection, has on staff or consults with, as needed, a medical or dental  
224 professional who is experienced in the treatment, billing and coding  
225 procedures used by the provider being audited.

226 Sec. 2. Section 17b-99a of the general statutes is repealed and the  
227 following is substituted in lieu thereof (*Effective July 1, 2015*):

228 (a) (1) For purposes of this section, (A) "audit period" means a  
229 period of time not later than thirty-six months from the required filing  
230 deadline of the annual cost report of a long-term care facility; (B)  
231 "clerical error" means an unintentional typographical, scrivener's or  
232 computer error or an error in recordkeeping in which documentation  
233 supporting a claim or cost exists and can be produced but has been  
234 misfiled at the time of an audit; (C) "extrapolation" means the  
235 determination of an unknown value by projecting the results of the  
236 review of a sample to the universe from which the sample was drawn,  
237 [(B)] (D) "facility" means any facility described in this subsection and  
238 for which rates are established pursuant to section 17b-340, (E) "ninety-  
239 five per cent confidence level" means there is a probability of at least  
240 ninety-five per cent that the result is reliable; (F) "sample stratification"  
241 means a method of sampling that involves the division of a population  
242 into smaller groups known as strata based on shared attributes or  
243 characteristics; (G) "statistically valid sampling and extrapolation  
244 methodology" means a methodology that is (i) validated by a  
245 statistician who has completed graduate work in statistics and has  
246 significant experience developing statistically valid samples and



247 extrapolating the results of such samples on behalf of government  
248 entities, (ii) provides for the exclusion of highly unusual claims that are  
249 not representative of the universe of paid claims, (iii) has a ninety-five  
250 per cent confidence level or greater, and (iv) includes sample  
251 stratification when applicable, and [(C)] (H) "universe" means a  
252 defined population of paid claims submitted by a facility during a  
253 specific time period.

254 (2) The Commissioner of Social Services, or any entity with which  
255 the commissioner contracts to conduct an audit pursuant to this  
256 section, shall conduct any audit of a licensed chronic and convalescent  
257 nursing home, chronic disease hospital associated with a chronic and  
258 convalescent nursing home, a rest home with nursing supervision, a  
259 licensed residential care home, as defined in section 19a-490, and a  
260 residential facility for persons with intellectual disability which is  
261 licensed pursuant to section 17a-227 and certified to participate in the  
262 Medicaid program as an intermediate care facility for individuals with  
263 intellectual disabilities in accordance with the provisions of this  
264 section. The commissioner shall conduct such audit within the audit  
265 period and only for an annual cost report of a long-term care facility  
266 used to generate a base year or interim rate. The commissioner, in the  
267 absence of any state or federal law or regulation imposing a specific  
268 limit on the allowability of a particular cost item, shall rely on federal  
269 Medicare principles for the determination of reasonable costs. The  
270 commissioner shall recognize all relevant documentation in the  
271 determination of allowable costs and, to the extent permissible under  
272 federal Medicaid law and regulations, shall allow any costs incurred to  
273 comply with state or federal mandates. The commissioner shall not  
274 disallow any cost or claim based on failure to utilize a particular cost-  
275 reporting methodology if the facility presents credible evidence that  
276 the cost report was filed in accordance with methodology previously  
277 accepted by the commissioner with no subsequent notice by the  
278 commissioner of a change to such accepted methodology.

279 (b) Not less than thirty days prior to the commencement of any such

280 audit, the commissioner shall provide written notification of the audit  
281 to such facility and the statistically valid sampling and extrapolation  
282 methodology to be used, unless the commissioner makes a good-faith  
283 determination that (1) the health or safety of a recipient of services is at  
284 risk; or (2) the facility is engaging in vendor fraud under sections 53a-  
285 290 to 53a-296, inclusive.

286 (c) Any clerical error [, including, but not limited to, recordkeeping,  
287 typographical, scrivener's or computer error,] discovered in a record or  
288 document produced for any such audit [,] shall not of itself constitute a  
289 wilful violation of the rules of a medical assistance program  
290 administered by the Department of Social Services unless proof of  
291 intent to commit fraud or otherwise violate program rules is  
292 established. In determining which facilities shall be subject to audits,  
293 the Commissioner of Social Services [may] shall give consideration to  
294 the history of a facility's compliance in addition to other criteria used  
295 to select a facility for an audit.

296 (d) A finding of overpayment or underpayment to such facility shall  
297 not be based on extrapolation unless [(1) there is a determination of  
298 sustained or high level of payment error involving the facility, (2)  
299 documented educational intervention has failed to correct the level of  
300 payment error, or (3) the value of the claims in aggregate exceeds two  
301 hundred thousand dollars on an annual basis.] (1) the extrapolated  
302 overpayment calculated from a statistically valid sampling and  
303 extrapolation methodology exceeds five per cent of total claims paid or  
304 costs allowed for the audit period; and (2) the commissioner  
305 determines the facility has a sustained or high level of payment error  
306 or documented educational intervention has failed to correct a  
307 previously determined sustained or high level of payment error. Such  
308 determination may be made by means that include, but are not limited  
309 to: (A) Audit history of a facility, (B) analysis of additional samples  
310 using a statistically valid sampling and extrapolation methodology, (C)  
311 information from law enforcement investigations, and (D) allegations  
312 of wrongdoing by current or former employees of a facility. The

313 commissioner shall not extrapolate an overpayment based on a clerical  
314 error unless the facility has a history of at least one previous  
315 overpayment error identified in an audit or the clerical error exceeds  
316 ten per cent of a statistically valid sample. An overpayment assessment  
317 based on extrapolation of a clerical error shall not exceed three times  
318 the dollar amount of the clerical error unless the commissioner  
319 determines the facility has a sustained or high level of payment error  
320 or documented educational intervention has failed to correct a  
321 previously determined sustained or high level of payment error. When  
322 the commissioner determines that a sustained or high level of payment  
323 error occurred, the commissioner shall describe the basis for such  
324 finding in the preliminary written report and the final report issued  
325 pursuant to subsections (f) and (h) of this subsection.

326 (e) A facility, in complying with the requirements of any such audit,  
327 shall be allowed not less than thirty days to provide documentation in  
328 connection with any discrepancy discovered and brought to the  
329 attention of such facility in the course of any such audit. Such  
330 documentation may include evidence that errors concerning payment  
331 and billing resulted from a facility's transition to a new payment or  
332 billing service or accounting system. The commissioner may permit a  
333 facility to correct clerical errors prior to a final audit determination.  
334 The commissioner shall not calculate an overpayment based on  
335 extrapolation or attempt to recover such extrapolated overpayment  
336 when the facility presents credible evidence that an error by the  
337 department caused the overpayment, provided the commissioner may  
338 recover the amount of the original overpayment.

339 (f) The commissioner shall produce a preliminary written report  
340 [concerning any audit conducted pursuant to this section] of any  
341 proposed rate adjustments resulting from the audit and a draft rate  
342 computation report that includes the impact of proposed adjustments  
343 and such preliminary report shall be provided to the facility that was  
344 the subject of the audit not later than sixty days after the conclusion of  
345 such audit. If a preliminary finding of an overpayment based on

346 extrapolation of a clerical error exceeds two hundred thousand dollars,  
347 the commissioner shall schedule a conference with the facility's  
348 representatives not later than thirty days after the conclusion of such  
349 audit. Not later than thirty days after such conference, a facility may  
350 conduct an independent audit at the facility's expense of (1) all of the  
351 claims included in the universe subject to findings based on  
352 extrapolation, or (2) a second sample twice the size of the original  
353 identified by the department using the same statistically valid  
354 sampling methodology. The commissioner may reject any audit not  
355 based on a statistically valid sampling methodology or not in  
356 compliance with state or federal law. The commissioner shall amend  
357 the preliminary report in accordance with any verified evidence that  
358 initial findings were incorrect.

359 (g) The commissioner shall, following the issuance of the  
360 preliminary report pursuant to subsection (f) of this section, hold an  
361 exit conference with any facility that was the subject of any audit  
362 pursuant to this subsection for the purpose of discussing the  
363 preliminary report. Such facility may present evidence at such exit  
364 conference refuting findings in the preliminary report if such facility  
365 has not already done so pursuant to subsection (f) of this section.

366 (h) The commissioner shall produce a final written report  
367 concerning any audit conducted pursuant to this [subsection] section.  
368 Such final written report shall be provided to the facility that was the  
369 subject of the audit not later than sixty days after the date of the exit  
370 conference conducted pursuant to subsection (g) of this section, unless  
371 the commissioner and the facility agree to a later date or there are  
372 other referrals or investigations pending concerning the facility.

373 (i) Any facility aggrieved by a final report issued pursuant to  
374 subsection (h) of this section may request a [rehearing] hearing. A  
375 [rehearing] hearing shall be held by the commissioner or the  
376 commissioner's designee, provided a detailed written description of all  
377 items of grievance in the final report is filed by the facility not later  
378 than ninety days following the date of written notice of the

379 commissioner's decision. The [rehearing] hearing shall be held not later  
380 than thirty days following the date of filing of the detailed written  
381 description of each specific item of aggrievement. The commissioner  
382 shall issue a final decision not later than sixty days following the close  
383 of evidence or the date on which final briefs are filed, whichever  
384 occurs later. Any items not resolved at such [rehearing] hearing to the  
385 satisfaction of the facility or the commissioner shall be submitted to  
386 binding arbitration by an arbitration board consisting of one member  
387 appointed by the facility, one member appointed by the commissioner  
388 and one member appointed by the Chief Court Administrator from  
389 among the retired judges of the Superior Court, which retired judge  
390 shall be compensated for his services on such board in the same  
391 manner as a state referee is compensated for his services under section  
392 52-434. The proceedings of the arbitration board and any decisions  
393 rendered by such board shall be conducted in accordance with the  
394 provisions of the Social Security Act, 42 USC 1396, as amended from  
395 time to time, and chapter 54. In any case involving an extrapolated  
396 error, the department shall not subject the facility to an overpayment  
397 assessment or recoupment order that exceeds the amount of the  
398 original error until the facility exhausts any rights pursuant to this  
399 section.

400 (j) The submission of any false or misleading fiscal information or  
401 data to the commissioner shall be grounds for suspension of payments  
402 by the state under sections 17b-239 to 17b-246, inclusive, and sections  
403 17b-340 and 17b-343, in accordance with regulations adopted by the  
404 commissioner. In addition, any person, including any corporation,  
405 who knowingly makes or causes to be made any false or misleading  
406 statement or who knowingly submits false or misleading fiscal  
407 information or data on the forms approved by the commissioner shall  
408 be guilty of a class D felony.

409 (k) The commissioner, or any agent authorized by the commissioner  
410 to conduct any inquiry, investigation or hearing under the provisions  
411 of this section, shall have power to administer oaths and take

412 testimony under oath relative to the matter of inquiry or investigation.  
413 At any hearing ordered by the commissioner, the commissioner or  
414 such agent having authority by law to issue such process may  
415 subpoena witnesses and require the production of records, papers and  
416 documents pertinent to such inquiry. If any person disobeys such  
417 process or, having appeared in obedience thereto, refuses to answer  
418 any pertinent question put to the person by the commissioner or the  
419 commissioner's authorized agent or to produce any records and papers  
420 pursuant thereto, the commissioner or the commissioner's agent may  
421 apply to the superior court for the judicial district of Hartford or for  
422 the judicial district wherein the person resides or wherein the business  
423 has been conducted, or to any judge of such court if the same is not in  
424 session, setting forth such disobedience to process or refusal to answer,  
425 and such court or judge shall cite such person to appear before such  
426 court or judge to answer such question or to produce such records and  
427 papers.

428 (l) The commissioner shall adopt regulations, in accordance with the  
429 provisions of chapter 54, [to carry out the provisions of this section and  
430 to ensure the fairness of the audit process, including, but not limited  
431 to, the sampling methodologies associated with the process] that shall  
432 include, but not be limited to: (1) Definitions of the statistically valid  
433 sampling and extrapolation methodologies to be used, (2) limitations  
434 on audits to cover only claims paid or costs reported and, whenever  
435 possible, include appropriate sample stratification subject to  
436 extrapolation, (3) the application of a median rather than an average in  
437 any extrapolation involving claims with multiple services, (4) an audit  
438 period in accordance with this section, and (5) administrative appeal  
439 procedures set forth in a manner that is consistent with the provisions  
440 of this section. The commissioner shall provide free training to  
441 facilities on the preparation of cost reports to avoid [clerical] errors and  
442 shall post information on the department's Internet web site  
443 concerning the auditing process and methods to avoid [clerical] errors.  
444 Not later than April 1, 2015, the commissioner shall establish audit  
445 protocols to assist facilities subject to audit pursuant to this section in

446 developing programs to improve compliance with Medicaid  
 447 requirements under state and federal laws and regulations, provided  
 448 audit protocols may not be relied upon to create a substantive or  
 449 procedural right or benefit enforceable at law or in equity by any  
 450 person, including a corporation. The commissioner shall establish and  
 451 publish on the department's Internet web site audit protocols for: [(1)]  
 452 (A) Licensed chronic and convalescent nursing homes, [(2)] (B) chronic  
 453 disease hospitals associated with chronic and convalescent nursing  
 454 homes, [(3)] (C) rest homes with nursing supervision, [(4)] (D) licensed  
 455 residential care homes, as defined in section 19a-490, and [(5)] (E)  
 456 residential facilities for persons with intellectual disabilities that are  
 457 licensed pursuant to section 17a-227 and certified to participate in the  
 458 Medicaid program as intermediate care facilities for individuals with  
 459 intellectual disabilities. The commissioner shall ensure that the  
 460 Department of Social Services, or any entity with which the  
 461 commissioner contracts to conduct an audit pursuant to this section,  
 462 has on staff or consults with, as needed, licensed health professionals  
 463 with experience in treatment, billing and coding procedures used by  
 464 the facilities being audited pursuant to this section."

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2015	17b-99(d)
Sec. 2	July 1, 2015	17b-99a